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Chief, Plans, OSO

Attn:

Chief, Contact Division, 00

SUBJECT:

Ferenc KOVACS

REFERENCE:

(a) Telephone conversation, []to[] 5 November 1951.

27 November 1951

1. Attached is extensive biographical material on Ferenc KOVACS, prepared by himself. In view of the detail with which it goes into KOVACS' dealings with US agencies in Europe, it may have considerable interest for your Hungarian desk. It is transmitted on loan, and we would appreciate its return when it has served its purpose. If this material should create interest in any further information, we are in a position to contact KOVACS.

Enclosure (A) - Biographical material on

Ferenc#

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The following is a translation from the original Hungarian (hand-written original copy dated 16 November 1951, consisting of 20 pages and signed by Mr. Ferencz Kovacs) was prepared upon my request. Tasnadi is the fore-name of Mr. Kovacs. This name is an inherited distinction of origin and nobility. Since Kovacs is a frequent Hungarian name, he used the forename to distinguish him from other Kovacs.

FERENCZ TASNADI KOVACS

I was born 1 October 1911 in Budapest. Today I am 40 years old. I graphically illustrate my past 40 years with the following colored scale divided into 14 parts.

(1) The child in the parent's home.

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(2) Grade school.

(3) Military academy (high school).

(4) The National Military College (Slovika Academy).

(5) Field Service with Cavalry Artillery.

(6) Specialized Military Education as Cavalry Officer.

(7) Cavalry Field Service.

(8) Artillery Field Service.

(9) Command General Staff School in Military Academy.

(10) Specialized staff military assignments in Ministry of War, and in Tactical Headquarters of Military Chief of Staff.

(11) Part time occupation as refugee in Europe.

(12) Organization of Information and News Service, and leadership of same.

(13) Assignment at World Council of Churches (WCC)

(14) Past four months' activities in US as Riding Instructor and factory worker in Cleveland, Ohio.

My father, Aladar Tasnadi Kovacs, was a professional officer of the Hungarian Royal Army. At the time of my birth he was a general staff major. My mother, nee Maria Kozma Leveldi (again a noble ferename) was the daughter of Andor Kozma Leveldi, a poet and a member of the Hungarian Academy of Science. Copy of my baptismal certificate is attached (Encl. 1).

Between 1917 and 1921 I attended grade school in Budapest at Fehervari St., 15.

The first Hungarian revolution and the first Communist dictatorship happened during these years. During Easter 1919, my father with five other general staff officers, though he was already pensioned, was arrested. Because of his anti-revolutionary activites, Otto C. Klein, Commissar, through the emergency court, sentenced him to

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This sentence was never executed because of the quick failure of the Bolshevik system. The fact of my father's arrest and condemnation to death was published during the following years in a book entitled the Book of Martyrs, in which the picture and data of my father appears also with the statement that he was a staunch anti-Bolshevik leader.

My father and mother live today in Cleveland, Ohio, at 1865 West 24th St.

During 1921 to 1925 I studied in the city of Koszeg in the military Real

Gymnasium (in Western Hungary known as the Yadi-Mytds). During these years, my

father as Brig. General and later as Major General, was the Chief of Personnel in

the War Ministry, and since 1924 commanding general of the Third Army stationed

at Szombathely. In 1925 I was sent to Budapest to the "Bocskai Istvan", chief

military Real Gymnasium, and I was a student of this institution until 1929.

I finished my pre-military academy studies in this institution and on 7 June 1929

I graduated as the first student of my class. During this time, my father, still

at Szombathely, encountered a tremendous amount of hardships with the county

Roman Catholic Bishop, Count) Janos Mikes, who was an ardent Monarchist. Owing

to this serious difficulty in the summer of 1929, without any previous warning,

and in spite of the promise given to him from the highest office, and in spite of

the fact he was the senior ranking general of the Hungarian Army, they passed him

over and ordered him to pension.

At this time I was 18 years old, and it was the first time in my life I experienced in my own country that there are certain influences governing our lives in Hungary which influences originate from outside our country, and people who are in leading positions are not always selected for the interest of the country. My father was dropped from a very important position because he was a very staunch Hungarian and was not willing to bow to the hierarchy. Hungary was surrounded at that time with militant Germans and Slavs, and the German interest was the strongest.

- 3 -

From 1929 to 1933 I attended the Academy of Ludovika which is the official national military academy of Hungary. I chowse the cavalry and I received special Hussar training. From the beginning to the end, I finished the academy with superior grades. At the conclusion of my studies, because both from the scientific and practical knowledge, I received the highest honors. I received the order of the Silver Spurs, which was an award established for the best Hussar graduate each year. It was engraved with the name of the best graduate each year.

During these years in the academy, I also specialized in military map drawing, and in connection with these studies I received a scholarship and honors. During my two senior years I was a member and in the last year, president, of the art class. All these are described in detail in Enclosure 2, which is my personed record from the academy.

On 20 August 1933, I was commissioned as a Cavalry Lt., and I was assigned to the to the Second Division and Second Hussar Regiment of Papa (Western Hungary). I was attached to the first Hussar company as a platoon commander, and I was there until 30 November 1935. During this time I became a member of the Papa Hussar's Polo group and started to play firefessional polo at this assignment. From 1 November 1935 to 30 June 1936 I finished with superior marks as No. 1 student in the Central Hussar Officer's special course in the city of Komarom. From here I was assigned to my original division which was renumbered but actually it was the same outfit stationed at Papa, and I became the Adjutant of the division commander and during my assignment he directed me to prepare myself for the studies and subjects of command general staff school.

On 6 July 1937 I was married. My wife, nee Edith Weres, is the daughter of Dr. Emery Veres and Klaranak Komjathy. My father-in-law at that time was the director general of the Budapest Comptroller General's department. He was also the executive Vice President of the Hungarian Athletic Group. Today he is with my mother-in-law, deported to a small village in Behar county, vallage of Konyar, Hungary.

My wife lives at 11027 Clifton Blvd, Cleveland, Ohio. We are separated. She is a nurse in the Lakewood Hospital in Cleveland.

From 30 June 1936 to 1 November 1939 I was called in from the field as
Hussar officer since my preliminary examinations for the command general staff
school were successful, and I was ordered to the war college as a student.

The initial subjects of this school dealth with warious armed services, consequently I was assigned in Budapest to the Second Field Artillery. Enclosure
3 proves the details of my field assignment during this time. See Anyakonyvi Lap
(Personnel Record).

On 1 November 1940 I went to the war college to Budapest and there I studied until 1 November 1942. From these two years the following details should be mentioned:

(1) During my studies in the war college I found that a large portion of the spirit and substances of the material presented to us was entirely foreign to our Hungarian interest and some of the professors of the war college were under the influence of this foreign attitude themselves. In Hungary and in the capital of Hungary it was openly taught to us that compared to the Germans, the Hungarians only possess inferior qualifications. To these doctrines, a number of my classmates subscribed also.

Just as 12 years ago in my early teens when I first met the influences of foreign elements in our family life, now I find the same to be true in my own studies. In this dilemma I had a two-fold choice: either I draw the consequences and resign from the war college and desert my occupation, or, knowing the danger of this foreign influence, I will combat it and will try to counteract its dangers in our lives.

I decided the latter.

(2) I learned to know in every detail during my war college studies, the importance of Hungary's economy. The peculiar division of Hungary's

geographic location between the Slavic and German people and the direct and indirect influences of this economic importance in the Danube Valley sector of Europe.

(3) I thoroughly studied the aims of the Bolshevik imperialism in the prospective of middle Europe and the influence of this imperialism from the view point of Hungary.

On the basis of these studies, I tried to understand the hopess position of Hungary in the imperial Pan-German and Pan-Slav blacks far removed from the Western Anglo-Saxon world. In my comparisons I felt that the Bolshevik and Pan-Slav block was much stronger than the German imperialstic danger at that time.

- (4) On 18 June 1942 to 18 November 1942, I was actively assigned to the Russian front as a student of the war college. During these three months I spent one month each at the Second Armored Division, 30th Regt; at the head-quarters of the Second Army and the 7th Division Planning Section. These three months were spent along the Don River combats.
- (5) While at the war college, I also entered the Hungarian polo club of Budapest. The president of this polo grubp was young Stefan Horthy, the assistant to the regent who was his father. I became a member of the Olympic Hungarian polo team, and twice I won the Hungarian championship, and during these years I was always a member of the first team of the Hungarian official polo team.

From 1 November 1942 to 1 December 1942 I was the chief of the organization of branch of the Budapest First Army. Immediately after this I was assigned to the Personnel Branch (G-2) of the Hungarian War Ministry where I served as a general staff captain. My assignment was to prepare and organize the assignments and commendations of each general and general staff officer.

During this particular time I became close friends with Dr. Geza Soos who was and officer of the foreign ministry at that time. He is now at Mountain Retreat,

Montreat, North Carolina. I also became very friendly with the circle of Domonkos Szentivanyi (Balogh's remark: This latter name is very important because he is among the first victims of the Hungarian Communist Regime, allegedly somewhere in the USSR now - got life imprisonment by Rakossi). Because of these friendships, I accepted their advice and that as far as personnel assignments are concerned I will do everything in my power that only trustworthy and faithful Hungarian officers would be assigned to positions of extreme trust. Within the limitations of my own assignment, I always did my very best to live up to this promise.

On 1 August 1943 I was transferred to the Tactical Division of the chief of the staff of the Hungarian Army. My commanding officer was Lajor Nadas, (colonel) of the general staff. Tdday he is at Absam, Austria, Solbad-Hall, near Innsbruck, Austria. At this particular position, which is considered the most important branch of the army, I was served until 30 July 1944. My particular responsibilities were: knowing the details and thorough knowledge of all living and material potentials of Hungarian strength, and the organization of this strength to the best usage of the Army; the detailed knowledge and recording of Hungary's men and machine military power system; the organization of the various army groups; later I was requested to prepare concrete tactical plans based upon the total and actual knowledge and evaluation of Hungary's military geography with the purpose of counterattacking a possible Soviet Bolshevik invasion. Enclosure 4 gives a total description of my services. (Mr. Balogh's comment: This is the 201 file (secret) of general staff officers. Mr. Kovacs explained to me that upon the collapse of Hungary, most of these papers were burned and since he was in charge of this particular branch, he rescued his own document. I believe that this is the only one of its kind from among the 201 officer's files which I have seen since World War II.)

During this year I became the champion polo player of Hungary. Some of my trophies with the original engravings are still in my possession. The original

membership certificate of the Hungarian Polo Club is attached as Enclosure 5.

On 1 August 1944, I was assigned to the field tactical division of the First Hungarian Army, at that time committed in the North East Carpathian mountains.

I served there until 1 November 1944. During this time the attempt that Hungary should withdraw from the war failed. This attempt was not known by many of us up at the chief of staff's level. The details of this failure were only explained to me during my refugee years outside of Hungary.

My commanding officer was a disposed Bela Miklos, (colonel general) who went over to the Soviets, and his chief of staff was Kalmar Kery, general staff colonel do not know where he is today). Before I left the Army command position, no one mentioned with one word what the actual situation at B udapest was. Up until 31 October 1944, I took active part in the Northeast battles of Hungary. Again on 1 November 1944 I was re-ordered to Budapest to the chief of planning and tactical missions office. I served there until 24 December 1944 when Budapest was completely encircled. On 24 December I received a radio message and direct command to leave Budapest at 2:00 p.m., and following this order I escaped through the mountains of Budapest and through the city of Gyor and I reported at Koszeg where at that time the chief of staff of the Hungarian Army was stationed. At Koszeg I still was assigned to G-1 of the chief of staff. This particular branch was reorganized and transferred under the Minstry of War, and its emergency mission was to report the actual military situation daily. In February 1945 I was in charge of the entire section. In this capacity I reported three times in succession the hopeless position of the capital of Hungary. I recommended immediate surrender and my recommendation was refused by the Minister of War.

From 1933 to 1944 I still have my qualification record and enclose it as Ecolosure 6, with all its attachments:

⁽a) the collection set with 8 mixh other attachments,

⁽b) qualification report.

- (c) two extra supplementary attachments
- (d) qualification card.

In the last days of March 1945, I cannot remember the exact date, I left the city of Koszeg, and with my entire branch I went to Bavaria to the village Metten bei Deggendorf. During this transition period I spent two days in Semeringen, where I had to report the last collected material to the Minister of War. In Metter everything was in complete confusion. The strong objections against the German leadership were the orders of the day. This leadership was blamed for the complete failure of the Hungarian collapse.

In connection with this German leadership, I discussed the matter with Imree Pogany, (colonel) general staff who is at Budapest, if still living, who at that time was the chief of the War Minister's personal office; with Ferenc Nemeth, colonel general staff, who is in Sao Paulo, Brazil, living as an artist, at that time the chief of the training section of the War Ministry; and Endre Pesthy, Lt Colonel general staff, today in a jail where the Hungarian Communists condemned him, at the time the chief of the organizational branch of the war ministry. The subject of these discussions were, what can we do to contact the Western Allied powers as quickly as possible to rescue part of Hungary's military potentiality against the Soviets.

- (1) A military person must be selected whose name guarantees that he ixxx is not a Hungarianized German but a person who truly represents the Hungarian military organizations.
- (2) A person who from pre-war period has personal prestige and contacts among the British and US circles.
- (3) A person who had never been mixed up with any political venture.
- (4) Whose general prospective and overall knowledge enables him to describe the facts that Hungary has no ideological or satellite or lower political

expansion, and that is why Hungary was drawn into this war.

Furthermore, we discussed what should be done that more Hungarian lives and material values should be salvaged from the Bolshevik vandals, and in spite of the Heeres Gruppe Sud these should be transferred as quickly as possible to the West in order to transmit same into the hands of the oncoming Western Allied Powers.

To the first point of our discussion I recommended Col. General Ferenc Farkas (Kisbarnski)his noble name). I recommended him because he as a Hussar officer, extremely well prepared. He was pensioned, and as the chief of Hungary's Boy Scout Organization, he had very close personal ties with British circles. I also knew him very well and personally because he was one of my father's Two other officers were also recommended; (Major General, Alexander Papp Papp (Algya, forename), formerly a military Attache in London; and Michael Thranyi, major general, commanding officer of the Hussar Division. / Farkas lives today in 13/b Arnstorf, Schloss, Germany. The whereabouts of the other two officers are unknown to me. During our discussions, Dr. Michael Ban, former general staff colonel, and Ferenc Hollosy (forenmae, Makay), former colonel of general staf, also before included and they accepted my recommendation and asked me to contact Col. Gen. Farkas. Nothing could be done openly at that time because the Minster of War, Charles Beregffy, would have deemed our recommendation to be a sabatage. I visited Col. Gen. Farkas in Johannes-Kirchen by motorcycle. During the 24 hour meeting I succeeded to ₺ clarify every detail of our request, and he was willing to accept our proposition. Secretly we organized his staff in which the most important persons were Bela Lengyel, major general, formerly the Hungarian Military Attache at Paris; Charles Kern, formerly a major, and Richard Quant (Balogh's remark: at present in New York, working for an export-import firm) who was one of the directors

of the Hungarian National Bank. The personal selection was done by Dr. Michael Ban, formerly a colonel of the general staff. The written records were prepared by Col. Imre Pogany and myself. Today, Michael Ban is dead, Hollosy Makay is in Australia, major general Lengyel is in Graz, Austria, and Quant is in New York.

In the middle of 1945 from Metten I transferred my activities to Tann, Bavaria. During this time Col. Gen. Farkas' group commenced its activites. I cannot rember the exact date of the month of April when we organized a special deputation in the village of Tann which went to the "inister of War to convince him that the German military and political leadership completely mislead Hungary and since we left Hungary, every former aim is doomed and feel that he should draw the consequence of this leadership.

The preparatory discussions took place in my room. The following were present:, together with myself:

Col. General Kalmar Ternegg, doday in the jail of Vacs,

Major General Miklos Nagyoszy, also in the jail of Vacs,

Major General Karansebesy, provost marshall general, present fate unknown,

Ferenc Makay Hollosy, Colonel general staff,

Dr. Michael Ban, general staff,

Lajos Mitschang Megyesy, Lt. Col, general staff, today at 4129 Potomac Ave.,

St. Louis, Mo., USA.

Endrextextinxxxxxx Endre Pesthy, Lt. Col, general staff,

To these conferences Col. Ternegg always came with body guards who were armed with tommy guns because his life was continuously threatened. This organized delegation was received by the Minister of War. He accepted Col. Ternegg and stated that he was willing to resign. This statement was acknowledged by us, and after that he requested one by one the members of the committee to appear before him.

I, the lowest in rank, came to see him last. In this audience ke I informed him that I was resigning from my assignm, ent and I also resigned my rank, since as a soldier and a professional officer, I could not reconsile the facts with my military ethics but as a Hungarian I had to do what I had done. The minister refused to

accept my statements and decided to postpone his decision for another day. From this audience I immediately went to Ferenc Szalasi in his car. From this conference we received a confidential tip that he had not resigned his ministry. In fact, he was instructed to arrest each and everyone of us. When he came back to Tann he was accompanied by a SS general staff major and a battalion of SS armored outfit. After we received the tip from I went over to the Minister again and I repeated my former request, presented my recommendations and I stated that the occupation of the Western powers were only a question of hours. I told him I wish to go to Kempten (Swent Southwest Bavaria) where part of my branch and my entire family is stationed. He refused to accept my resignation. Upon his refusal I got in my car and with Nagyoszy, and with the help of my other fellow officers, I left the village of Tann which was under the close surveillance of the SS soldiers. The next day the Minister ordered all of us members of the delegation to court martial. He immediately ordered me to pension and kicked me out of the general staff. A week later he retracted these order when Julius Kovacs, major general) found out that the members of the Hungarian Army, with a few exceptions, agreed with our wishes. This information was given to me later.

At the end of April 1945 I went to the little village Wagegg near Kempten, where my family stayed and where two days before the first US armored outfit already moved in. I reported to the Chief of the Kempten military government, and through an interpreter, directed me that I should stay with my family, change my uniform to civilian clothes and select a job for myself. During the summer months I worked at different farms, and later the Forstamt Bertzigau employed me as a wood chopper out of which I supported myself and family.

During these times I received various information that the CIC in arresting other persons tolerates changes of names and consequently innocent persons are transferred into the hands of the Russians. That is why I started to use my family name, Tasnadi, which none of the members of my family have used since 1848.

The usage of this name was necessary since Kovacs is one of the most frequent family names in Hungary, just like Smith or Brown in the US. The forename only served in the past as distinction of various families accompanied by the various shields donated from the Emporer or King of the area. In the US frequently the "Ze" marks this distinction. The original document of my right to use this name is attached as enclosure 7.

On 14 February 1946 in Ingolstadt, the military government commissioned of the US 60th Infantry Regiment issued official discharge paper for me which I attach as enclosure 8.

On 8 August 1946 the Wiesbaden Gife Electric factory employed me an their commission agent. The contract of this employment is attached as enclosure 9.

On 11 April 1947 I moved from Kempten to a small village south of Kempten into Fischen where my parents lived and I settled in that village. The police record and report of this change is attached as #10 enclosure. On the 21st of this same month the bulletin, Spruchkammer, published in Kempten, informed its readers that I have never had connection with the National Socialist Party. (Balogh's remark: Nazi Party). This is enclosure 10-A.

On 15 May 1947 the Munich Regensburg Interpol export-import agency, employed me as their commission agent. The original contract is attached as enclosure 11.

At the end of the summer 1947, I cannot remember the exact date, I received Nistranaki.

a letter from General Ferenc Farkas. He invited me to an import discussion in Munich. This was my first meeting in our exile. This discussion took place in a castle near Munich owned by a Bavarian Royal Prince. General Farkas informed me that certain German circles requested from him a trustworthy former Hungarian general staff officer who will be controlled by the US Army who from here on will be able to evaluate certain Hungarian military information. For this assignment he decided to recommend me as most able and that is why he asked me for this meeting. He also explained to me that my mission will be to be the continuous

liason officer between the so-called Kopjas movement, which is under the leadership of General Zako. Following this meeting, in another room, I met former German captain.

Leeb who interrogated me about the following subjects:

- (1) my past education and German language knowledge.
- (2) my family status
- (3) how much knowledge have I about military organizations.
- (4) my knowledge about Hungary's geography, military geographical information and economic structure.
- (5) how much do I know about the Danube Valley transportation facilities, road, etc.
- (6) Men I was acquainted with in Hungary's political and social structure.
- (7) How much information do I have about the personnel set up of the Hungarian refugees.

Since I seemed to answer all questions satisfactorily, he informed me that an American organization which is geared against the Soviets, and includes certain German personnel is engaged in collection of information. In this set up a Hungarian section will be organized and it will be my mission to work in this he section. He requested certain proofs and X told me that two days later he wanted to meet me in Munich.

This meeting took place at the Rot-Kreuz (Balogh's comment: Red Cross) where an elderly gentleman appeared. We sat in an automobile and that is where we discussed the details. At this discussion I learned that there is an organization in which my assignment will be two-fold:

- (1) Within the organization known as Kopjas under the leadership of General Zako, all news and information will be organized, evaluated and prepared by me in the German language.
- (2) New organizations, contacts and special information service under my leadership will be organized.

In exchange for these two services the organization will guarantee my income for subsistence and will offer political and police protection and a free movement for myself.

My EXXENXX answer in essence was the following:

(1) I will not enroll my services into a German organization, only am willing to service in the organization if it is under American leadership concerned with Hungarian matters. As a proof I requested a stamped American statement. This is received, and is attached as enclosure 12.

- (2) I will select my own co-workers and only those names will be described by me who live outside of the Iron Curtain.
- (3) Toward General Zako I will not accept a subordinate position, only as a liaison.
- (4) Every dollar and material given to me, received by me or transferred to them from me will have to be received with double receipts in order that I may be able to keep one copy of each.
- (5) My home will be protected against illegal search. The document issued to me for this purpose was only received by me leter. It is enclosure 13.
- (6) In case of a suddent Bolshevik occupation, the occupation authorities will protect both me and my co-workers.
- (7) I requested a passport for the protection of my free movement.

My conditions were accepted by the man who called himself, Geroldrek. He requested certain projects from me and advised me that he had to collect (a) military, (b) economic, and (c) political information. He also advised me that they are placing a special emphasis on the news collected by me. Consequently, I must work these up in every detail and analyze them very carefully because they are extremely interested in my "Hungarian" interpretation.

In my German enumeration first, \$150, later \$350, again \$800 and finally \$1300 was paid to me by each month, which was issued to me on the basis of the budget submitted to them by me. One-third of this amount was disbursed for administrative purposes and two-thirds for concrete services. My co-workers were the following:

George Tasnadi Hovacs, captain general staff,, my own brother who was exiled, as central analyzer, recorder and chief of the office; Aladar Tasnadi Hovacs, retired major general, my brother, was the translator; Laslo Kovacs, Madi, major general staff, was the searcher of tips, (today he as at 723 Harrison Ave., Davenport, Iowa);

Bell Barlay major, secretary, group leader (today at Victoria Bonegilla Training Center, Australia); Stephen Mateffy, (today in Australia), assigned agent; Dr. Istvar Ballo, former major, (present address unknown) agent; Dr. 3 Joseph Boda, former major (present address unknown); Samual Galbory, former captain, (present address unknown); assigned: agent; George Szabo, former professor, analyst of political news; Laszlo Szekely, former Lt., maxret career (now in Cleveland; Alexander Bedo Kalnoki, director,

recorder and analyst of economic news (presently at 11 Maple St, Arlington, Mass);

Albin Kapitanffy, former major general staff, chief agent (now at Solbad Hall,

Absam Innsbruck, Austria); Jano Halmay, former colonel, (present address unknown).

The above personnel were assigned to my group, one by one, slowly.

Each and everyone of them had separate numbers. Toward General Zako and his kop a a MABK movement (Halogh's comment: at that time there was no Hungarian Veterans Org.) we established our contacts and the leader of my group and he agreed that all news would come directly through my hands, and every dollar paid to him would be spent through me.

This whole contact commenced in September 1947, and actually started to work in November 1947 with Zako. The first information I received from him in Innsbruck in December 1947. The first information dealth with the various organizations and tie ups of five Soviet Divisions. Later we learned that this materialwas not correct and the same information was sold to other organizations also.

In the summer of 1948 I received definite instructions that, notwithstanding the original plans and missions, I should discontinue my contacts with General Zako because he was engrossed in political activites and his associate, Miklor Korponay was not trustworthy. This latter (Korponay) man was kicked out during this year from the Hungarian Warriors Organization. His address is unknown to me. According to these instructions I stopped all contacts toward the Zako group and I requested Albin Kapitanffy, major general staff, that when stationed in Klagenfurt to develop the contact lost through Zako, and according to my instructions he completed the mission.

After almost two years of this intensive service I had to face the most critical crisis of my activities because:

- (1) **MXM** as a former pr@fessional military officer, I had to explain to a former superior officer of mine that he and his group acted incorrectly.
- (2) his entire organization suffered a loss of approximately \$400 per month, which according to the monetary values prevailing in Austria was a tremendous

amount. An entire family lived on approximately \$50 to \$75 a month.

- (3) All these had to be done with the knowledge that I am completely in their power because:
 - (a) they knew my organization which cooperated with them
 - (b) they knew my missions
 - (c) they knew my contacts above which I represented as a liaison
 - (d) they penetrated the points of contacts built up by me throughout entire Austria since they knew my key men.
 - (e) They were determined to succeed because proracted (sp;????) and probably believed it too, that they were serving a "cause."

For this reason they did not hesitate to use any means to achieve and xxx satisfy their fanatical ambitions.

Shortly after I stopped all contacts with their groups, General Zako invited me to Munich for a special discussion, during the course of which he informed me:

(1) He succeeded in finding a German person who is a leading circle in the "organization". This high ranking individual is willing to pay \$15,000 to \$2500 per month which he will guarantee provided Zako will deliver all contacts from Europe into his hands. He referred to the following people, Hungarian information leaders:

George Kwiky Holenyi, former Lt. general staff, stationed at Graz;

Czikely, former captain, from Salzburg and Grag Graz;

Laszlo Eszenyi, former captain general staff, at Munich;

Stephan Ksako-Kufstein,

and my own group.

Amont these the two strongest and very outstanding groups were under Koleyni and myself.

(2) He requested me to get out from my present obligation and join forces inxki with him in his new organization.

(3) He asked me to take the leadership with my group and accept the chief of organization position for myself and against this he will be glad ***xxix** to raise the amount of our services to a much higher figure than we receive now.

I refused the proposition most emphatically and explained the following reasons to him:

- (a) The information service and secondary defense service, is confidential by its basic nature. Consequently no new organization is able to group this type of a service to suit various personal likes or dislikes. Personally, I am not the person to change my allegiance from one group to another.
- (b) As a professional officer I deem it totally incompatible toward myself and toward an officer of a foreign country to shift my loyalty from one place to another.
- (c) I am will convinced that men not one of my men would be willing to accept his proposition and change their allegiance from me to another group.
- (d) I also mentioned that the so-called high ranking German person to whom General Zako referred is a implication because according to my opinion he already tried to compete with my direct superior, Mr. Gerold.

General Zako acknowledge my objections with seeming reluctance and left me with my decisions. A few days after this meeting, General Zako held a conference X in XNNKNk Innsbruck with Captain Laszlo Eszenyd and stated that the Hungarian cooperation guil failed because of my stubbornness since I was not able to ditch my German friend, referring to Mr. Gerold.

At this time I sought the advice of Mr. Gerold because I felt the mistake lies with the organization where the idea of "free competition" seemed to prevail. Such free competition assured the quality and quantity of better and more information, but at the same time the various groups hurt each other deeply because of the

insane competition for the dollar and it did not serve the physical mission which was an intelligence service against the Soviet. This assumption of mine upon the advice I received from him proved correct.

A certain ambition and stubborn German leader within the group decided to excel and succeed within by grabbing the entire "Hungarian group" and by this concentration stamp out any other competition. In order to secure the proof of my suspicion, one of my co-workers receiving a confidential directive from me to accompany General Zako in a personal meeting which took place between General Zako and this exxembity ambitious German leader. The personal identity of this individual is beyond doubt naturally in the midst of many alias which was impossible to find out his right name. Under the request of Mr. Gerold I put the information in a report and submitted same to him. According to my best knowledge he sent this report to the American authorities. With this, this unfortunate crisis between my group and General Zako's organization seemingly ended.

Actually, from this moment on an underground discrediting warfarethat was annihilation launched against the antitation of my organization. The leader of this campaign was a man who knew every detail about my organization. Such a man could only be assigned and come from the inner circle of General Zako. I could not disclose even his actual identity because akan the organization denied the disclosure of his real person. But from the fact that everything was only known to Zako and Korponay outside of myself, I suspected Korponay from the beginning whose poor character I have known from his previous service, a former captain of the general staff who served under me.

There were a few characteristic signs of this underground attack:

- (1) The organization from a source absolutely unknown to me received without xxxxx my knowledge the entire project of my group. In other words, they uncovered me. This project outside of my own brother and myself was only seen by General Zako and Kxxxxxx Korponay.
- (2) My mail box contact, John Halmay, former colonel, writes what arragant

and falst statements were made in and around Salzburg to completely undermine the trust connected with him.

- (3) In Graz there was an extremely clever Colonel in my group who was denounced by them at the central point of the organization. I was hardly able to keep this man in his assignment because of these malicious denounciation.
 - (4) Various agents of mine received definite invitations that Zako's group will provide a much better position for them if they would change over to that group.
 - (5) Two of my couriers had to be released from British jails because they were accused by these people at the British authorities.
 - (6) They sent the news among the exiles all over that I belonged to General Farkas' political movement, whereas I was never in my life engaged in any political activites and since the beginning of my codfidential assignment I have hardly ever seen General Farkas.

Mr. derold was always absolutely clean, frank and honest with him. From him I learned that he is a former colonel, general staff of the German Army and his real name is Alfred Siebert. Almost every dark and shadowy nook was ironed out by him and I could state that he had a fairly clear picture of the entire situation. According to my recollecting the following was the true picture:

Following the complete surrender these were the first instances in Germany where the Germans were called upon to act as equal partners of the Western allies. The possiblity for this partnership was based upon their geographical location. In the position of this adjuntage they had free access outside and inside of the Iron Curtain to observe the military, economic and political preparations of the Bolsheviks.

The Germans, partly because of their former remnants of organization and with their extreme organizing ability gained this possibility and with American help created an "organization" which secured the trust of partnership offered sufficient income to may former soldiers, gave free movement to many and, last but not least, created the nucleus and basis for a future German power of politics.

With such understanding they offered and their hands to the representatives of the small middle European nations and commenced to select and use some of the emigres of these groups.

All the questions addressed to me and my various discourses with them, etc, proved that this is their attitude towards us.

From the many, many, question and requested material which I worked up for them both in writing and verbally during the **xwaxx** years, the following are only the major subjects:

economic potential of Hungary, epigraphical data, live stock production, problems of transportation, relation of the State and the Church, the

XEXPERIENCES aspirations of the different social status, and their differences, the Hungarian cultural policies, the idea of St. Stephan ideology, the science tactical and combat EXECT of the Hungarian Army, the importance of the Danube, etc.

For the purpose of the German aims, the down trodden and poor condition of the Hungarian exiles and their pauper status was excellent. German **TRREFFEX** radio brought the first American message to the stateless Hungarians: "You are not an enemy, you are a partner, you are allowed to move freely, you are able to eat better and more, and I bring you the first American dollar."

Naturally the members of the meigre groops living in destitution and poverty, but anxious to do something constructive, reached out with quick hands for the advantages and accepted every mission regardless whether they knew anything about it or not. In an atmosphere which is created by a lost war which end in revolution, everying is possible. When the "gutter" sweeps everything, even what was good, then there is no more knowledge, experience, prestige, because everyone seems

to gain his goal the best way he is able to do so. As a consequence, tailors became experienced information service men, like Janos Mike, a former ladies' tailor from Budapest (Mr. B's remark: he is in New York organizing some Catholic lay organization, as a agent); young social political xxxx science students became central administrators of the counter-intelligence offices. (Mr. B's remark: like Kalman Galata, a very bright economist who is at present employed by the VOA in New York, Hungarian desk), bux and ambitious former division organization like r Paul Strobl Hodossy, in Munich, who have the power to rathrand over the fortunes and tragedies of other people. Between 1947 and 1950 it was a passion and a fashion to gather and sell news. The only question was whether a person was satisfied with \$100 or with one package of Camels. Everybody acted mysteriously and everybody "conferred with him", whoever he was and literally some would have sold out their own mothers to a CIC agent if through such service they would have "arrived." Everybody xkxx abused this turmoil and chaos who had any kind of a mission and wanted to gain quick results. Most everything seemed to be a question of emergency.

For the purpose of a longer range programs the Germans - according to my opinion - first of all sought its exiled groups which already in the past from my point of view were subservient to the over all German ideology and the expansion of the German imperialistic ideals. They proceeded to find a "Loyal" member which never caused any problem of hardship to them. For these purposes the money came from outside of the German pocket.

General Zako originally started his organization honestly and his aim was honest. It was his problem to coordinate and keep the former Hungarian military leaders and soldiers which may serve as the nuclea of the future Hungarian Army at the time of liberation. For this organization he needed

money and to get this money everything which formerly was honest and honorable was step by step discredited.

He had three possibilities:

(a) money from the American, (b) support from the French, and (c) support by the British. All three of them requested news, counter-intelligence and information service in exchange for money and support. All three of them emphasized their own paramount interest in Zako with one organization, and with one central office tried to satisfy simultaneously all three of them. The personal interest, the general interest, the intelligence lines, the money and finally, the information and news all got crossed up by him. This moral failure was not foreseeable at the outset which was the prime price of anxerigix a large conscious. The demensions of this double dealing two could not be properly measured by him in advance. In this insange competion the people lost their lives and freedom and made the serious work extremely hard for those whose only desire was to have a constructive service.

By 31 August 1949 I concluded my activites and contacts with the "organization." From my chief, Col. Siebert, I part in complete harmony. He secured a special recommendation for each and every one of my co-workers and the assurance that in case they desire to come to the US the authorities will give them consideration and courtesy. My own personal document ix for recommendation is hereby attached as enclosure 14.

In spite of the fact that I stopped to work officially with the organization during myxxxxxxix entire stay in Europe, until 12 June 1951, I kept in very & close

touch with Col. Siebert to whim periodically I gave all necessary information concerning Hungarian matters and advised him whenever he requested such from me, and according to our agreement I was permitted to keep my certificate of service which I attached as enclosure 12. T During these two years the persons whose names I mentioned have the following address:

Laszlo Eszenyi - 1801 P St., Washington, D.C.

Dr. Kalman Salata, 21-45 28th St., Astoria, Long Island, New York George Kollenyi, Salzburg, Austria.

Alfred Siebert, Stuttgart, Sillenbuch. Mendelssohn, St 71, Germany Stephen Zsako, Cleveland

Paul Strobl Hodossy, Munich.

After 18 November 1949 I was assigned as the secretary of Dr. Geza Soos to the Church World Service at Munich Pasing. My American chief at this time was the Rev. R. Helfferich whose personal recommendation is attached as enclosure 15. After the CWS ceased its activites the offices were taken by the World Council of Churches, and I was appointed in October 1950 as the Welfare Officer

of the entire Bavaria and later the IRO appointed me as their Class 2 Officer. In this capacity I supervised all refugee camps. During this time my chief American senior officer was Miss Sue Stille who gave me the attached recommendation, enclosure 16. Also at this time I was the official representative of the Church press office of which service I attach as enclosure 17 which is my press card.

In June 1951 I arrived in the US on the SS Ballou. I entered NEW York port on 29 June. Here I received the verbal message from Stephen E. Balogh which he sent by Laszlo Eszenyi that as soon as I am able to come to Washington D.C. The Church World Service decided that I would have to go to Cleveland where my sponsor, Calvary Presbyterian Church, received me. Three days after my arrival I became a riding instructor in a large summer camp where my employer, Ralston Fox Smith, 20800 Almar Drive, S.H. 22 Ohio, gave me the recommendation which I attache as enclosure 18.

The Cleveland Press of or about 10 September 1951 published my picture and a special story about me as the champion Hungarian polo player. They also made a present proper picture of all my trophies. The church desired this.

In the beginning of October 1951 I submitted my petition for my first

citizenship papers and on 8 November 1951 I received same from the Immigration and Naturalization and took my oath of allegiance. The original paper is #19.

Until 9 November 1951, during the last two months of my stay in Cleveland, I worked as laborer in the Hertner Electric Co, Elmwood Avenue for \$1.41 per hour for 54 hours per week. From here I came to Washing because my family subsistance circumstances, and with complete agreement with my wife we separated. Naturally I intend to provide for my family in the future. I have two boys, Thomas, 12, 2, 1939 student in the Cleveland Lincoln High School, and Gabriel, 8-1/2, in grade school.

My younger brother, George, a former captain general staff, is working near Cleveland in a college at Berea, Ohio. My parents live at 1865 West 24th St. in Cleveland my my mother is employed by the American Decorating Co. of Cleveland.

Supplement to my life history:

In order to keepxthexforegoingxxi complete the foregoing picture, I knust refer to the fact that during my fight against the Bolsheviks the following confusion and experiences were encountered in my personal life:

(1) Basic Situation: Hungary, which lost the war during the last spring months of 1945, has done everything to organize behind the Russians such organizations and groups which will be able to serve the liberation behind the Russians as actively as humanly possible. These organization was the Kopjas group. This organization was lead by General Ferenc Farkas, later by General Zako and today possibly Hapsburg Otto tries to reap the advantages of this organization.

In the beginning of 1945 this organization on the basis of factual information which I have seen myself, had approximately 3000 members. Since the organization was based on cells **xxx** there was every hope that it wwill double itself annually.

On such promise in 1947 the organized members of the emigres states that there were approximately 15 to 20 thousand members in this one organization alone.

According to my opinion, this is false because (1) the Bolshevik organization in Hungary eliminated large groups of men who were formerly members of this Kopjas organization. (2) the Communists continually moved the population in such

fluctuations and creates a condition that is a death blow for the life of lany secret organization. (3) The bolsheviks saw to it that the various social groups were excited against one another and their differences enlarged continually.

already

Consequently, the members walk organized in this organization lost confidence in another. (5) Finally, the Communists completely shut down the Iron

Curtain and by this action the freedom of breathing was made extremely hard.

At the same time in the emigration refugees (1) were not able to support the Kopjas members within the Iron Curtain from outside. (2) The emigres split among themselves by political and by denominations. (3) The refugees leader of the Kopjas organization abused the organization for intelligent, news and information services, whereas it was not organized for this purpose. All these are handicaps and detrimental for this organization, and today it is impossible to see the original realistic thing succeed. Above all from the purpose of intelligence this organization is useless.

(2) The stituation between 1947 and 1949.

The int counter-intelligence service against the Communists was in a very good status. There was every possibility to organize a strong inner organization provided we are able to support same with financial aid from the outside. This was the period of black marketing with human lives and the epic of information peddling which unfortunately everying became possible.

(3) The present stuation:

It is extremely different from the process other two. The best approach to get to Hungary today is through Yugoslavia. The counter-intelligence service of the Communists was already proved to such an extent that anyone meeds extremely specialized experience luck to get any result. It is absolutely impossible to organize from the outside anymore. Anyone who is organizing today must be within the Iron Curtain for analyxim many years already. The members of the refugee groups are so well known that the minute they step on the shores of Europe they are known. Zako's group (MHA) intelligence service only uncovers it those that go

to Europe. At every town and city they have their contact people for this purpose. Naturally the other side has exactly parallel service. Consequently, no organizer can move today without the knowledge of the others. The elimination and paralization of the profession Hungarian class is practically completed and at an end in Hungary by this time. Naturally the bitter disillusionment of our children is just as strong as their fathers against the regime and system but they lack the experience of amny years knowledge, and it is very hard to organize them. This hardship primarily relates to the service of information.

Basically, the Hungarian nature is not conspiring. The character of the Hungarian is willing to launch an open armed revolution with two days with 50% loss rather than organize a lasting underground organization without one gun shot for many months. This fact must be dealth with.

According to the preceding, the best practical way to move is to combat the extremely active Communist counter-intelligence and in this respect the uncovered double-dealing agents should be used for specific missions. Throught them we will be able to receive a fair view within the closed country.

In case of the out break of the conflict I am definitely convinced that at the time a serious aerial at torrential attack will be launched closed to the border, an armed revolution will break out behind the Russian Army. At that moment everything will be decided by the fact whether we will be able to guns to the first guerillas. The mass wave of the revolt will be carried by looted guns and I have no doubt that they will taken plenty guns away from the Russians.

The most important and paramount factor as to the continuation of the inner resistance is the safe guarding of their physical strength. Completely broken people are unable to organize or resist. In our presnt condition, the only possibleity for this which I have seen to be without hazard is the various gift packages behind the Iron Curtain. Through this medium many of thousands of families are able to be kept alive according to the minimum and almost as many norm men and women, will be waating for the warfare of later date. Since the Communist regime

gains money value through these packages it is very unlikely that they will put an end to it. Their help among the population is immense.

- (4) The Cominform The activities of the Cominform through entire Europe was visible in every respect. I am only a very short time in the US so I am not able to reflect to my experiences here. Against the European information service, into counterintelligence, propaganda and sabetage launched by the Cominform, frequently primitive counter activites were experienced on our part. For instance, one executive member of the Hungarian National Council instructed the chief of the Hungarian office in Salzburg that he should organize an information service. In Salzburg people pointed out in the street who the information service agents, who are counterintelligence agents, because even the Austrian border batallions knew everyone of them. This situation was simply ridiculous at Graz. This was the consequence of the exaggeration and diligent attitude of the Hungaria Veterans Organization (Zako's organization). These two illustration are only small proofs of the fact that *x* Attilla Kovach, no relative of mine, was killed and sacrificed.
- (5). Conclusion. From the present distance, reviewing the facts and situation, it is my conviction that all three of the Western Allies new knew the possibilities of what the members of the exiles were able to offer through the utilization of their contacts for a purpose of a long range aim.

All three Allies recognized and relax realized these. The French seemed to lead in the Hungarian circles, but they never had enough material support to reap the harvest. This is the key to the understanding of Zako's group in Austria and in the French Zones. Because of the lack of French financial support, consequently they used American money to send useful information to strictly French sectors and interests.

The British worked outan entirely different system, and they never gained the complete confidence toward themselves since many times they worked with harsh means and tools. In the final analyses they frequently purchased through American dollars what they desired. The British represented disillusionment.

but as a man with certain profession experience, I could never see clear the following two things:

- (1) The counterintelligence service from the American side is incomparably weaker than the information service and again I cannot justify this at all, knowing the Soviets.
- (2) In evaluation the information many times the Americans neglect the completely and truly indoctrinized profession and clear thinking agent's view point. From many concrete question and repeatedly requested information, I gathered that many times in utterly simple matters we had to exchange letters sometimes for weeks (through couriers) which only became problems because high caliber gentlemen who were not at all wersel in the "Hungarian way of life" sat in the central discesses the analyzer of simple information.

Intil the spring of 1951 the weight and definite advantage of the French Line ligence service was felt in Innsbruck and primarily in Graz and Vienna.

The center of the British activities was in Graz and Vienna.

In closing I must mention that after the end of my two years confidential service, I received definite instructions that every piece of material (record of news, projects, maps, receipts, statement of spening, etc) be destroyed. At the same time I had to sign the statement that already such American persons or organizations could receive any information about my work who are properly authroized. From among those people, CIC was excluded emphatically. If I failed to answer any of the important questions, I will be glad to supplement such upon the request of the agency.

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